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SUBJECT: SENATOR MURKOWSKI HIGHLIGHTS U.S. CONCERNS ON DPRK, ENERGY ISSUES IN BEIJING MEETINGS

SUMMARY

11. (SBU) Senator Murkowski highlighted U.S. concerns about the status of the Six-Party Talks during meetings with NPC Chairman Wu Bangguo and CCP Central Committee International Department Vice Minister Ma Wenpu. Wu blamed mistrust between the United States and DPRK for the current impasse in the talks, said the Chinese leadership was fully engaged in trying to persuade the DPRK to re-engage and urged U.S. patience. Ma said the "last thing" China wants is nuclear weapons on the Korean Peninsula. Neither Wu nor Ma would comment on whether Kim Jong-il is currently in China. With Wu and Vice Foreign Minister Qiao Zonghuai, the Senator stressed the need for energy cooperation and urged further bilateral discussion concerning energy technology, efficiency and expertise. Wu said China is prepared to work with the United States on more issues of common interest. He expressed appreciation for the United States consistent Taiwan policy, but stressed China's continuing concerns about Chen Shui-bian's Taiwan independence agenda. Qiao in turn shared Chinese concerns about Japanese visits to the Yasukuni shrine. Senator Murkowski reviewed plans for continued interparliamentary exchanges and $\bar{\mbox{expressed}}$ interest in returning to China to deepen her relationships and understanding in discussions with Wu and NPC Vice Chairman Sheng Huaren. End Summary.

Meeting with NPC Chairman

- 12. (SBU) NPC Chairman Wu Bangguo emphasized the importance of strengthening ongoing exchanges between the NPC and U.S. Congress in a January 13 meeting with Senator Lisa Murkowski, noting that President Hu Jintao had instructed him to "meet with more U.S. Congressional representatives." The Ambassador accompanied the Senator. Noting recent Summit meetings between President Bush and President Hu, Wu pointed to their agreement to develop constructive, cooperative relations for the 21st century as a firm basis for deepening bilateral relations. The United States and China maintain close cooperation on "hot issues" in the world such as counterterrorism, nonproliferation, the DPRK and Iranian nuclear issues and UN reform, he stated.
- 13. (SBU) Turning to the issue of Taiwan, Wu said the cross-Strait situation has become more relaxed recently. In 2005, there were two important Chinese Government cross-Strait initiatives: passage of the anti-secession law and more active promotion of people-to-people and economic ties. There has also

been a change in popular will on Taiwan and a shift away from support for Taiwan independence, as evidenced in the results of the December mayoral elections. He noted, however, that the root cause of cross-Strait tensions remains and that Chen Shui-bian is intent on pursuing his Taiwan independence agenda. The key to maintaining stability is to check Taiwan independence moves. China is grateful to the USG for maintaining its one-China policy, voicing opposition to Taiwan independence and to unilateral changes to the status quo in the Taiwan Strait. Senator Murkowski replied that the United States interest was in a resolution that maintained peace and stability in the region.

(SBU) Noting that the United States appreciated and relied on Chinese efforts to make progress on the DPRK nuclear issue, Senator Murkowski asked for Wu's ideas on moving the Six-Party Talks forward. responded that China's position supporting the denuclearization of the Korean Peninsula through dialogue is consistent and that China sees eye-to-eye with the United States on the need to start the next phase of the talks as early as possible. There is a big gap in confidence between the United States and DPRK, making the issue more complicated. The Talks are further complicated by other issues, such as the recent financial sanctions imposed on the DPRK by the United States. Wu urged patience on the part of the United States, noting that the next stage of the talks would be extremely difficult. He hoped that the issue of sanctions, which he said is of great importance to the DPRK, could be resolved. Senator Murkowski said that the issue of counterfeiting is extremely sensitive in the United States and could not be

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treated lightly. Wu noted that Macau authorities had launched an independent investigation into the case, which he hoped would provide a clearer picture of the situation. In response to Senator Murkowski's comment about DPRK leader Kim Jong-il possibly being in China, Wu only noted that China's leadership raises the nuclear issue with Kim Jong-il at every opportunity.

15. (SBU) Senator Murkowski expressed interest in bilateral cooperation on energy development and detailed U.S. efforts in exploration and development of energy and in conservation. Wu said that 90 percent of China's energy comes from coal and that Chinese annual oil imports decreased by 5.6 percent in 12005. He welcomed future bilateral energy cooperation, noting China is pursuing a robust program to develop nuclear, hydro and wind power. The Chinese Government is subsidizing development of household methane gas in the countryside, which Wu said has met with considerable success.

Meeting with CPC Vice Minister

- 16. (SBU) At a meeting with Senator Murkowski on January 12, Communist Party of China (CPC) Vice Minister of the Central Committee International Department Ma Wenpu lauded the steady and sound development of Sino-American ties. President Hu Jintao had very successful meetings with President Bush in New York and Beijing last year, reaching consensus on the comprehensive promotion of bilateral relations in the 21st Century.
- 17. (SBU) Noting this was her first trip to China, Senator Murkowski said she discussed North Korea and the Six-Party Talks with leaders in South Korea and Japan prior to her Beijing stop and asked for Ma's views on prospects for progress. Ma stated that China

seeks peace, stability and denuclearization of the Korean Peninsula. The last thing China would want to see is nuclear weapons on the Korean Peninsula. China's most important diplomatic relations are with the United States and there is bilateral cooperation and consensus on the North Korean nuclear question. At the same time, China has traditional and neighborly relations with the DPRK. China is working to persuade North Korea to return to the Six-Party Talks, but wishes for the Parties to avoid any actions that incite or add complexity to the issue.

- 18. (SBU) The previous four Rounds of the Talks have brought about good results, Ma continued, and the September 2005 joint agreement was a hard-won success. Future Talks must resolve implementation of the September agreement in concrete detail, so the Six-Party Talks have become more complex and difficult. The United States should trust China's good offices as China works officially and privately to bring the Six-Party Talks back on track. But it is hard to say when the next round of Talks will begin.
- 19. (SBU) Senator Murkowski pressed Ma with the lack of optimism she heard in Korea and Japan and the importance of the five consensus Parties speaking with one voice on denuclearization of North Korea. Ma said that he shares the same view, and reiterated that China could not see its neighbor develop nuclear weapons.

Meeting with Vice Foreign Minister

- 110. (SBU) On January 13, Senator Murkowski and Vice Foreign Minister Qiao exchanged views about bilateral cooperation, the North Korean nuclear issue, China's relations with Japan, Taiwan and energy. Qiao expressed appreciation for the Senator's visit as an important way to begin 2006 and continue the pattern of important bilateral exchanges established during 12005. Senator Murkowski agreed, and said she looks forward to continuing involvement in parliamentary exchange.
- 111. (SBU) Responding to the Senator's question about the Six-Party Talks, Qiao said China believes that if the nuclear issue can be resolved, other issues ranging from financial sanctions and counterfeiting to the abduction issue, can then be dealt with. On Japan, Qiao repeated China's oft-heard position that visits to the Yasukuni Shrine and Japan's refusal to

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acknowledge responsibility for WWII remains unacceptable. Developing good relations with Japan, however, remains a priority for China.

112. (SBU) Senator Murkowski raised energy cooperation and urged further bilateral discussion concerning energy technology, efficiency and expertise. Qiao raised Taiwan, noting that the Mainland's invitation for Taiwanese political leaders to visit, the zerotariff it applied to Taiwanese fruit and the decision last week to send two pandas to Taiwan illustrate the Mainland's goodwill and desire to resolve the Taiwan issue peacefully.

Meeting with National People's Congress Vice Chairman

113. (SBU) During a dinner meeting January 12, National People's Congress (NPC) Standing Committee Vice Chairman and Secretary General Sheng Huaren told Senator Murkowski that friendships forged through the NPC-Congress Interparliamentary Group increase mutual

understanding and trust between the United States and China. Noting that he met Senators Stevens and Inouye (co-chairmen of the U.S. Senate-China NPC Parliamentary Group) in Hawaii January 4-5, Sheng reported that they had decided to hold the next official round of NPC-Congress exchange meetings August 6-11 in China, with August 6-9 in Guilin, followed by August 10-11 meetings in Beijing with PRC leadership. They agreed that the topics for discussion would be energy, international and regional issues including the nuclear issue on the Korean peninsula, national defense and security, China-U.S. trade and China's peaceful development. Sheng said he anticipates the 2007 round to be held in Alaska in response to Senator Stevens' invitation.

114. (SBU) Senator Murkowski thanked Sheng for his hospitality and remarked that as the East Asia Subcommittee Chair she anticipates returning to China again to build on friendships and continue dialogue to gain better understanding of the relationship between China, Korea, Japan and the United States. Indicating that she is eager to learn about China's growing energy needs and its leadership role in the Six-Party Talks, Senator Murkowski said Alaska appreciates China as an export market for timber and remarked that a trade delegation would visit in March to promote Alaska wild salmon exports.

 $\P15$. CODEL did not clear this cable. Randt